

City of Buckley
Pierce County, Washington
January 1, 1992 Through December 31, 1993

Schedule Of Findings

1. City Officials Should Limit Expenditures To Budget Appropriations

Our audit of compliance with budget laws revealed the city continued to exceed appropriations in some individual funds as noted in the prior audit report. The funds that exceeded their budget are as follows:

	<u>1992</u>		
	<u>Budget</u>	<u>Expenditures</u>	<u>Amount Over Budget</u>
Current Expense	\$1,284,101	\$1,421,991	\$137,890
City Streets	137,674	146,222	8,548
Multi-Purpose Center	37,950	45,828	7,878
Cemetery	44,685	45,197	512
Emergency Med. Serv.	2,000	4,000	2,000
Drug Res. ED (DARE)	-0-	2,280	2,280
Water/Sewer	490,488	529,438	38,950
Solid Waste	194,700	227,811	33,111
	<u>1993</u>		
City Streets	\$130,675	\$135,229	\$4,554
Tourism	4,889	5,056	167
Criminal Justice	9,339	10,595	1,256
Community Hall	1,825	2,178	353

RCW 35A.33.120 states in part:

The expenditures as classified and itemized in the final budget shall constitute the city's appropriations . . . Unless otherwise ordered by a court of competent jurisdiction, and subject to further limitations imposed by ordinance of the code city, the expenditures of city funds or the incurring of current liabilities on behalf of the city shall be limited to the following:

(1) The total amount appropriated for each fund in the budget
...

(2) The unexpended appropriation balances of a preceding budget which may be carried forward from prior fiscal periods pursuant to RCW 35A.34.270;

(3) Funds received from the sale of bonds or warrants which

have been duly authorized according to law;

(4) Funds received in excess of estimated revenues during the current fiscal year, when authorized by an ordinance amending the original budget . . .

(5) Expenditures required for emergencies, as authorized in RCW 35A.33.080 and 35A.33.090.

In addition, RCW 35A.33.125 states:

Liabilities incurred by any officer or employee of the city in excess of any budget appropriation shall not be a liability of the city. The clerk shall issue no warrant and the city legislative body or other authorized person shall approve no claim for an expenditure in excess of the total amount appropriated for any individual funds, except upon an order of a court of competent jurisdiction or for emergencies as provided in the chapter.

City officials failed to monitor the expenditures, thus they exceeded appropriations. When this occurs, the budget process and the associated controls over public expenditures are significantly weakened.

We recommend the city monitor expenditures and amend the budget when necessary to prevent expenditures from exceeding appropriations.

2. The City Should Comply With Bid Law Requirements

During our review of vouchers, we noted that in 1993 the city had leased, with an option to purchase, a communications dispatch system for \$189,764. The city did not formally bid for this equipment.

RCW 35.23.352(6) states:

Any purchase of supplies, material, equipment or services other than professional services, except for public work or improvement, where the cost thereof exceeds seven thousand five hundred dollars shall be made upon call for bids

RCW 35.42.200 states in part:

. . . if the cost of the real or personal property to be leased exceeds the amounts specified in RCW 35.23.352 prior to the execution of a lease with option to purchase therefor, the city of town shall call for bids in accordance with RCW 35.23.352

City officials believed that leases did not qualify as purchases for the purpose of bid law requirements.

The failure to call for competitive bids precludes the city from knowing whether it received the best possible price. Additionally, without a call for bids, interested vendors do not have the opportunity to submit proposals.

We recommend the city establish controls and procedures to ensure competitive bids in accordance with state statutes.

3. Court Disposition Of Infractions Should Be Made Pursuant To Applicable Laws

During our audit of the municipal court, we noted court citations were not processed in accordance with state law. Traffic infractions were routinely dismissed if the defendant paid court costs and/or probation fees and also had no other traffic violations for a given period of time.

RCW 46.63.151 states:

Each party to a traffic infraction case is responsible for costs incurred by that party. No costs or attorney fees may be awarded to either party in a traffic infraction case, except as provided in RCW 46.30.020(2)." [concerning costs awarded for traffic infractions involving mandatory liability insurance]

There is no authority, express or implied, which permits a court to require the payment of costs or fees as a condition of a dismissal of a traffic infraction. (AGO 1993 No. 9) Both the statutes and the Infraction Rules for Courts of Limited Jurisdiction allow the imposition of monetary penalties but not costs. These penalties may be imposed when a court makes a finding that a traffic infraction has been committed. Costs are not authorized.

The court felt the dismissal of traffic infractions and the order to pay related court costs and probation fees were appropriate.

By continuing to require payments for nonconvicted, noncriminal traffic defendants, the court does not appear to be in full compliance with state law governing the disposition of such cases.

We recommend the court follow state code in the disposition of traffic infraction cases.

4. The City Should Limit Fund Expenditures To Those Authorized By Ordinance

In 1990, the city expended \$1,000 out of the Emergency Medical Services Fund and \$8,000 out of the Fire Department Station Construction Fund for reimbursements to volunteer fire fighters for emergency services. The prior audit report recommended that the Current Expense Fund reimburse these funds for the unauthorized expenditures. This reimbursement was never done.

City Ordinance 12-88 establishing the Fire Department Station Construction Fund states in part:

. . . Monies in the Fire Department Station Construction Fund shall be used to purchase or lease lands . . . and to construct the new Fire Station and make improvements to the surrounding property. Monies in this Fund shall not be used for normal operation and maintenance of the Fire Station or equipment.

Furthermore, City Ordinance 998 establishing the Emergency Medical Services Equipment Fund states in part:

. . . That monies to be deposited . . . will be used for the purpose of accumulating monies to provide for future equipment needs of the Emergency Medical Services Fund as deemed necessary by the Fire Chief and the Buckley City Council.

Expenditures were made out of these funds because funding was not available in the Current Expense Fund. Unauthorized expenditures deplete fund balances and prevent the city from utilizing resources as intended by law.

We again recommend the Current Expense Fund reimburse the Emergency Medical Services Equipment Fund \$1,000 and the Fire Department Station Construction Fund \$8,000 for the unauthorized expenditures.